



April 6, 2007

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## ENGROSSED SENATE BILL No. 467

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DIGEST OF SB 467 (Updated April 3, 2007 11:55 am - DI 77)

**Citations Affected:** IC 8-1; IC 16-44; noncode.

**Synopsis:** Utilities and fuel standards. Requires the Indiana utility regulatory commission to consider certain expenditures related to ethanol construction projects in the rate base of certain public utilities. Permits an electricity supplier to recover costs associated with electric lines facilities projects. Permits certain utilities to recover certain distribution system improvement charges. Requires an electricity supplier (other than a rural electric membership cooperative or a municipally owned utility) to supply a certain percentage of its total electricity supply from renewable energy resources. Establishes the renewable energy resources fund. Requires an electricity supplier that fails to supply electricity from renewable energy resources to pay a penalty. Deposits the penalties in the fund. Allows the state department of health to inspect samples of gasoline-ethanol blends (ethanol) and prohibit the sale of ethanol that does not meet standards prescribed by law. Establishes minimum specifications for ethanol, gasoline, and kerosene. Provides that an instrument evidencing the sale of nominally anhydrous ethyl alcohol must include certain information. Establishes standards for determining when ethanol is considered to be received in Indiana and for certain records concerning ethanol. Changes references to "ethanol" to "gasoline-ethanol blend".

**Effective:** Upon passage; July 1, 2007.

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### Weatherwax

(HOUSE SPONSORS — GRUBB, FRIEND, TYLER, MCCLAIN)

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January 16, 2007, read first time and referred to Committee on Energy and Environmental Affairs.

February 13, 2007, reported favorably — Do Pass.

February 19, 2007, read second time, amended, ordered engrossed.

February 20, 2007, engrossed. Read third time, passed. Yeas 47, nays 0.

#### HOUSE ACTION

March 6, 2007, read first time and referred to Committee on Agriculture and Rural Development.

April 5, 2007, amended, reported — Do Pass.

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ES 467—LS 7316/DI 116+



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April 6, 2007

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

## ENGROSSED SENATE BILL No. 467

A BILL FOR AN ACT to amend the Indiana Code concerning health.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 8-1-2-23 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 2007]: Sec. 23. **(a)** The commission shall keep  
3 itself informed of all new construction, extensions and additions to the  
4 property of such public utility and shall prescribe the necessary forms,  
5 regulations and instructions to the officers and employees of such  
6 public utility for the keeping of construction accounts which shall  
7 clearly distinguish all operating expenses and new construction. Unless  
8 a public utility shall obtain the approval by the commission of any  
9 expenditure exceeding ten thousand dollars (\$10,000) for an extension,  
10 construction, addition or improvement of its plant and equipment, the  
11 commission shall not, in any proceeding involving the rates of such  
12 utility, consider the property acquired by such expenditures as a part of  
13 the rate base, unless in such proceeding the **public** utility shall show  
14 that such property is in fact used and useful in the public service;  
15 provided, that the commission in its discretion may authorize the  
16 expenditure for such purpose of a less amount than shown in such  
17 estimate.

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(b) For purposes of subsection (a), the construction, addition, extension, or improvement of a public utility's plant or equipment to provide electric or gas service to a customer of the public utility that produces biodiesel, ethanol, or any other biofuel is in fact used and useful in the public service.

(c) This subsection applies to a public utility's general rate proceeding that immediately follows the public utility's investment in a construction, an addition, an extension, or an improvement described in subsection (b). The public utility may accrue for recovery in the rate proceeding a return on the public utility's investment, beginning on the date the public utility initially records the investment in the public utility's books or records, as determined by the commission, at the rate of return authorized by the commission in the public utility's general rate proceeding immediately preceding the investment.

SECTION 2. IC 8-1-8.4 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

**Chapter 8.4. Electric Line Facilities Projects**

**Sec. 1.** As used in this chapter, "commission" refers to the Indiana utility regulatory commission created by IC 8-1-1-2.

**Sec. 2.** As used in this chapter, "electric line facilities" means the following:

- (1) Overhead or underground electric transmission lines.
- (2) Overhead or underground electric distribution lines.
- (3) Electric substations.
- (4) Overhead or underground telecommunications line facilities associated with an item listed in subdivisions (1) through (3).

**Sec. 3.** As used in this chapter, "electric line facilities project" means the construction, operation, maintenance, reconstruction, relocation, addition to, upgrading of, or removal of electric line facilities.

**Sec. 4.** As used in this chapter, "electricity supplier" means a public utility that furnishes retail electric service to the public.

**Sec. 5.** As used in this chapter, "public utility" has the meaning set forth in IC 8-1-2-1.

**Sec. 6.** As used in this chapter, "regional transmission organization" refers to the regional transmission organization approved by the Federal Energy Regulatory Commission for the control area in which an electricity supplier operates electric line facilities.

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1        **Sec. 7. The commission shall encourage electric line facilities**  
 2 **projects by creating the following financial incentives for electric**  
 3 **line facilities that are reasonable and necessary:**

4        **(1) The timely recovery of costs incurred by an electricity**  
 5 **supplier in an electric line facilities project.**

6        **(2) The timely recovery of costs, by means of a periodic rate**  
 7 **adjustment mechanism, incurred by an electricity supplier**  
 8 **taking service under a tariff of, or being assessed costs by, a**  
 9 **regional transmission organization.**

10       **Sec. 8. (a) An electricity supplier must submit an application to**  
 11 **the commission for approval of an electric line facilities project for**  
 12 **which the electricity supplier seeks to receive a financial incentive**  
 13 **created under section 7 of this chapter.**

14       **(b) The commission shall prescribe the form for an application**  
 15 **submitted under this section.**

16       **(c) Upon receipt of an application under subsection (a), the**  
 17 **commission shall review the application for completeness. The**  
 18 **commission may request additional information from an applicant**  
 19 **as needed.**

20       **(d) The commission shall, after notice and hearing, issue a**  
 21 **determination of an electric line facilities project's eligibility for**  
 22 **the financial incentives described in section 7 of this chapter not**  
 23 **later than one hundred eighty (180) days after the date of the**  
 24 **application.**

25       **(e) Subject to subsection (g), the commission shall approve an**  
 26 **application by an electricity supplier for an electric line facilities**  
 27 **project that is reasonable and necessary. An electric line facilities**  
 28 **project is presumed to be reasonable and necessary if the electric**  
 29 **line facilities project is consistent with, or part of, a plan developed**  
 30 **by the regional transmission organization.**

31       **(f) This section does not relieve an electricity supplier of the**  
 32 **duty to obtain any certificate required under IC 8-1-8.5 or**  
 33 **IC 8-1-8.7.**

34       **(g) The commission shall not approve a financial incentive for**  
 35 **that part of an electric line facilities project that exceeds the lesser**  
 36 **of:**

37       **(1) five percent (5%) of the electricity supplier's rate base**  
 38 **approved by the commission in the electricity supplier's most**  
 39 **recent general rate proceeding; or**

40       **(2) one hundred million dollars (\$100,000,000).**

41       **SECTION 3. IC 8-1-31-1.5 IS ADDED TO THE INDIANA CODE**  
 42 **AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**

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1, 2007]: **Sec. 1.5. As used in this chapter, "distribution" means, for purposes of distributing electricity, the distribution of electric power to retail customers or end users by means of low voltage electric lines.**

SECTION 4. IC 8-1-31-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. As used in this chapter, "eligible distribution system improvements" means new used and useful ~~water~~ **public** utility plant projects that:

- (1) do not increase revenues by connecting the distribution system to new customers;
- (2) are in service; and
- (3) were not included in the public utility's rate base in its most recent general rate case.

SECTION 5. IC 8-1-31-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. As used in this chapter, "public utility" means a:

- (1) public utility (as defined in IC 8-1-2-1(a)); or
- (2) municipally owned utility (as defined in IC 8-1-2-1(h));

**that produces, transmits, delivers, or furnishes water, gas, electricity, or steam.**

SECTION 6. IC 8-1-31-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) Except as provided in subsection (d), a public utility ~~providing water service~~ may file with the commission rate schedules establishing a DSIC that will allow the automatic adjustment of the public utility's basic rates and charges to provide for recovery of DSIC costs.

(b) The public utility shall serve the office of the utility consumer counselor a copy of its filing at the time of its filing with the commission.

(c) Publication of notice of the filing is not required.

(d) A public utility may not file a petition under this section in the same calendar year in which the public utility has filed a request for a general increase in the basic rates and charges of the public utility.

SECTION 7. IC 8-1-31-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. The commission may not approve a DSIC:

- (1) to the extent it would produce total DSIC revenues exceeding five percent (5%) of the public utility's base revenue level approved by the commission in the public utility's most recent general rate proceeding; or**
- (2) if the cost of the associated eligible distribution system improvements exceeds fifty million dollars (\$50,000,000).**

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SECTION 8. IC 8-1-35 IS ADDED TO THE INDIANA CODE AS  
A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
1, 2007]:

**Chapter 35. Renewable Energy Development**

**Sec. 1.** As used in this chapter, "electricity supplier" means a public utility (as defined in IC 8-1-2-1) that furnishes retail electric service to the public. The term does not include a public utility that is:

- (1) a municipally owned utility (as defined in IC 8-1-2-1(h));
- (2) a corporation organized under IC 8-1-13; or
- (3) a corporation organized under IC 23-17-1 that is an electric cooperative and that has at least one (1) member that is a corporation organized under IC 8-1-13.

**Sec. 2.** As used in this chapter, "fund" refers to the renewable energy resources fund established by section 8 of this chapter.

**Sec. 3.** As used in this chapter, "regional transmission organization" refers to a regional transmission organization approved by the Federal Energy Regulatory Commission for the geographic area in which an electricity supplier's assigned service area (as defined in IC 8-1-2.3-2) is located.

**Sec. 4.** As used in this chapter, "renewable energy credit", or "REC", means one (1) megawatt hour of electricity generated by renewable energy resources that is:

- (1) quantifiable; and
- (2) possessed by not more than one (1) entity at a time.

**Sec. 5. (a)** As used in this chapter, "renewable energy resources" includes the following sources for the production of electricity:

- (1) Dedicated crops grown for energy production.
- (2) Methane systems that convert waste products, including animal, food, and plant waste, into electricity.
- (3) Methane recovered from landfills.
- (4) Wind.
- (5) Hydropower, other than hydropower involving the construction of new dams or the expansion of existing dams.
- (6) Solar photovoltaic cells and panels.
- (7) Fuel cells that directly convert chemical energy in a hydrogen rich fuel into electricity.
- (8) Sawmill waste, other than waste derived from virgin timber.
- (9) Agricultural crop waste.
- (10) Waste coal.
- (11) Clean coal and energy projects (as defined in

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1 IC 8-1-8.8-2).

2 (12) Combined heat and power systems that:

3 (A) use natural gas or renewable energy resources as  
4 feedstock; and

5 (B) achieve at least seventy percent (70%) overall  
6 efficiency.

7 (13) Demand side management or efficiency programs that  
8 reduce electricity consumption or implement load  
9 management or demand response technologies that shift  
10 electric load from periods of higher demand to periods of  
11 lower demand, including the following:

12 (A) Home weatherization.

13 (B) Appliance efficiency modifications and replacements.

14 (C) Lighting efficiency modifications.

15 (D) Heating and air conditioning modifications or  
16 replacements.

17 (b) The term does not include energy from the incineration,  
18 burning, or heating of the following:

19 (1) Tires.

20 (2) Garbage.

21 (3) General household, institutional, or commercial waste.

22 (4) Industrial lunchroom or office waste.

23 (5) Landscape waste.

24 (6) Construction or demolition debris.

25 (7) Feedstock that is municipal, food, plant, industrial, or  
26 animal waste from outside Indiana.

27 Sec. 6. (a) Each electricity supplier shall supply electricity  
28 generated by renewable energy resources to Indiana customers as  
29 a percentage of the total electricity supplied by the electricity  
30 supplier to Indiana customers as follows:

31 (1) In 2009, at least one percent (1%).

32 (2) In 2010, at least two percent (2%).

33 (3) In 2011, at least three percent (3%).

34 (4) In 2012, at least four percent (4%).

35 (5) In 2013, at least five percent (5%).

36 (6) In 2014, at least six percent (6%).

37 (7) In 2015, at least seven percent (7%).

38 (8) In 2016 and thereafter, at least eight percent (8%).

39 For purposes of this subsection, electricity is measured in  
40 megawatt hours.

41 (b) An electricity supplier may use:

42 (1) a renewable energy resource described in section 5(a)(10)

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of this chapter;

(2) a renewable energy resource described in section 5(a)(11) of this chapter; or

(3) a combination of renewable energy resources described in section 5(a)(10) or 5(a)(11) of this chapter;

to generate not more than twenty percent (20%) of the electricity that the electricity supplier is required to supply under subsection (a).

(c) An electricity supplier may not use a renewable energy resource described in section 5(a)(12) of this chapter to generate more than ten percent (10%) of the electricity that the electricity supplier is required to supply under subsection (a).

(d) An electricity supplier may use a renewable energy resource described in section 5(a)(13) of this chapter each to generate not more than ten percent (10%) of the electricity that the electricity supplier is required to supply under subsection (a).

(e) An electricity supplier may own or purchase RECs to comply with subsection (a).

(f) If an electricity supplier exceeds the applicable percentage under subsection (a) in a compliance year, the electricity supplier may carry forward the amount of electricity that:

(1) exceeds the applicable percentage under subsection (a); and

(2) is generated by renewable resources in an Indiana facility; to comply with the requirement under subsection (a) for either or both of the two (2) immediately succeeding compliance years.

(g) An electricity supplier that fails to comply with subsection (a) shall deposit in the fund established by section 8 of this chapter an amount equal to:

(1) the number of megawatt hours of electricity that the electricity supplier was required to but failed to supply under subsection (a); multiplied by

(2) fifty dollars (\$50).

(h) An electricity supplier is not required to comply with subsection (a) if the commission determines that the electricity supplier has demonstrated that:

(1) renewable energy resources or RECs are not available to the electricity supplier in sufficient quantities to allow the electricity supplier to comply with subsection (a); or

(2) the cost of renewable energy resources available to the electricity supplier would result in an unreasonable increase in the basic rates and charges for electricity supplied to

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customers of the electricity supplier if the electricity supplier complied with subsection (a).

The commission shall conduct a public hearing to make a determination under this subsection.

(i) If the commission determines under subsection (h) that adequate renewable energy resources are not available or that the cost of available renewable energy resources is not reasonable, the commission shall:

(1) reduce or eliminate the affected electricity supplier's obligations under subsection (a) as appropriate; and

(2) review its determination not more than twelve (12) months after the reduction or elimination under subdivision (1) takes effect.

(j) The commission shall allow an electricity supplier to recover reasonable and necessary costs incurred in:

(1) constructing, operating, or maintaining facilities to comply with this chapter; or

(2) generating electricity from, or purchasing electricity generated from, a renewable resource;

by a periodic rate adjustment mechanism.

Sec. 7. (a) For purposes of calculating RECs to determine an electricity supplier's compliance with section 6(a) of this chapter, the following apply:

(1) One (1) megawatt hour of electricity generated by renewable energy resources in an Indiana facility equals one (1) REC.

(2) One (1) megawatt hour of electricity generated by a renewable energy resource described in section 5(a)(2), 5(a)(3), or 5(a)(4) of this chapter that originates in Indiana equals one and three-tenths (1.3) RECs.

(3) One (1) megawatt hour of electricity that is:

(A) generated by a renewable energy resource in the territory of a regional transmission organization; and

(B) imported into Indiana;

equals five-tenths (0.5) REC.

(4) One (1) megawatt hour of electricity that is generated by a renewable energy resource described in section 5(a)(12) of this chapter in Indiana equals five-tenths (0.5) REC.

(b) Electricity generated by any source outside the territory of a regional transmission organization may not be considered for purposes of calculating an REC to determine an electricity supplier's compliance with section 6(a) of this chapter.

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(c) An electricity supplier may satisfy not more than ten percent (10%) of the electricity supplier's requirement under section 6(a) of this chapter by owning or purchasing RECs calculated under subsection (a)(4).

(d) An electricity supplier may calculate only one (1) REC for each megawatt hour of electricity.

Sec. 8. (a) The renewable energy resources fund is established to:

(1) support the development, construction, and use of renewable energy resources, including small scale renewable energy resources, in rural and urban Indiana; and

(2) reimburse the Indiana economic development corporation and the commission for expenses incurred under section 9 of this chapter.

(b) The fund consists of the following:

(1) Money deposited under section 6(g) of this chapter.

(2) Money from any other source that is deposited in the fund.

(c) The Indiana economic development corporation shall administer the fund.

(d) The expenses of administering the fund shall be paid from money in the fund.

(e) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 9. (a) This section applies if there is sufficient money in the fund established by section 8 of this chapter to reimburse the Indiana economic development corporation and the commission for expenses incurred under subsection (b).

(b) The Indiana economic development corporation, in consultation with the commission, shall develop a strategy to attract renewable energy manufacturing facilities, including wind turbine component manufacturers, to Indiana.

Sec. 10. Beginning in 2011, and not later than March 1 of each year, a utility shall file with the commission a report of the utility's compliance with this chapter for the preceding calendar year.

Sec. 11. The commission shall adopt rules under IC 4-22-2 to implement this chapter.

SECTION 9. IC 16-44-2-0.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY

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1, 2007]: **Sec. 0.1. As used in this chapter, "ASTM" means the American Society for Testing and Materials International.**

SECTION 10. IC 16-44-2-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 1.5. As used in this chapter, "gasoline-ethanol blend" means a fuel that is:**

- (1) **blended from gasoline and nominally anhydrous ethyl alcohol; and**
- (2) **suitable for use in a spark-ignition internal combustion engine.**

SECTION 11. IC 16-44-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 2. As used in this chapter, "kerosene" means any light fuel oil:**

- (1) **with an A.P.I. gravity of at least thirty-nine (39) degrees Fahrenheit as determined by the ASTM D-287-55 method; and**
- (2) **having an end point of not greater than five hundred ninety (590) degrees Fahrenheit as determined by the ASTM D-86-56 distillation method.**

**refined middle petroleum distillate suitable for use as a fuel for heating or illumination.**

SECTION 12. IC 16-44-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 3. (a) As used in this chapter, "petroleum products" includes the following:**

- (1) Gasoline.
- (2) Naphtha.
- (3) Kerosene.
- (4) Distillate.
- (5) Fuel oil.
- (6) Gasoline-ethanol blend.**

~~(6)~~ **(7) Similar petroleum products, regardless of name, including benzol and other similar products that are or may be used in the blending of motor fuel.**

**(b) The term does not include the following:**

- (1) Lubricating oils.
- (2) Any product having:
  - (A) a Saybolt universal viscosity at one hundred (100) degrees Fahrenheit of at least seventy (70) seconds; and
  - (B) a flash point of at least one hundred fifty (150) degrees Fahrenheit by the ASTM method.

SECTION 13. IC 16-44-2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 4. (a) The state department or any authorized agent of the state department may inspect**

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1 samples of gasoline, **gasoline-ethanol blend**, or kerosene stored in any  
2 tank:

3 (1) that is adjacent to a refinery or marine or pipeline terminal in  
4 Indiana; and

5 (2) from which withdrawals are made for sale or use in Indiana or  
6 for transportation to destinations in Indiana other than  
7 transportation to other refineries or terminals in Indiana.

8 (b) Gasoline, **gasoline-ethanol blend**, or kerosene inspected under  
9 subsection (a) is subject to the inspection fee specified in section 18 of  
10 this chapter whenever the stock in the tank is replenished.

11 SECTION 14. IC 16-44-2-5 IS AMENDED TO READ AS  
12 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) The state  
13 department or any authorized agent of the state department may inspect  
14 samples of gasoline, **gasoline-ethanol blend**, or kerosene imported into  
15 Indiana other than that placed in storage at refineries or marine or  
16 pipeline terminals in Indiana.

17 (b) Gasoline, **gasoline-ethanol blend**, or kerosene inspected under  
18 subsection (a) is subject to the inspection fee specified in section 18 of  
19 this chapter.

20 (c) A person who receives gasoline, **gasoline-ethanol blend**, or  
21 kerosene:

22 (1) that is imported into Indiana (other than that placed in storage  
23 at refineries or marine or pipeline terminals in Indiana); and

24 (2) on which the inspection fee has not been paid;

25 shall notify the state department of the receipt of the gasoline,  
26 **gasoline-ethanol blend**, or kerosene.

27 SECTION 15. IC 16-44-2-6 IS AMENDED TO READ AS  
28 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. The state department  
29 may conduct inspections and tests on gasoline, **gasoline-ethanol**  
30 **blend**, or kerosene at any place the gasoline, **gasoline-ethanol blend**,  
31 or kerosene is offered for sale in Indiana.

32 SECTION 16. IC 16-44-2-7 IS AMENDED TO READ AS  
33 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) If the state  
34 department's inspection of gasoline, **gasoline-ethanol blend**, or  
35 kerosene under this chapter reveals that the gasoline, **gasoline-ethanol**  
36 **blend**, or kerosene fails to meet the specifications prescribed by law for  
37 those products, the state department may prohibit the sale of those  
38 products.

39 (b) A person may not offer for sale any gasoline, **gasoline-ethanol**  
40 **blend**, or kerosene that the state department has prohibited from sale.

41 SECTION 17. IC 16-44-2-8 IS AMENDED TO READ AS  
42 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) The inspections

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and tests made by the state department under this chapter shall be conducted in accordance with the **methods specifications** outlined by the American Society for Testing and Materials.

(b) The inspections and tests as to gasoline, ~~gasohol~~, **gasoline-ethanol blends**, and kerosene must reflect the following minimum specifications necessary for the approval of the product:

(1) Gasoline: ~~or gasohol~~:

(A) Corrosion Test – ~~Method Specification~~ ASTM D-130: A clean copper strip may not show more than extremely slight discoloration when submerged in the gasoline for three (3) hours at one hundred twenty-two (122) degrees Fahrenheit.

(B) Distillation Range – ~~Method~~ ASTM D-86: When the thermometer reads one hundred sixty-seven (167) degrees Fahrenheit, not less than ten percent (10%) may be evaporated. When the thermometer reads two hundred eighty-four (284) degrees Fahrenheit, not less than fifty percent (50%) may be evaporated. When the thermometer reads three hundred ninety-two (392) degrees Fahrenheit, not less than ninety percent (90%) may be evaporated. The residue may not exceed two percent (2%). Percent evaporated is found by adding the distillation loss to the amount collected in the receiver at each specification temperature.

(C) Sulphur – ~~Method~~ ASTM D-1266 or D-2622: Sulphur may not exceed twenty-five hundredths of one percent (0.25%): **D-4814.**

(D) Vapor Pressure – ~~Method~~ **(B) Specification** ASTM D-4953, **Specification** ASTM D-5191, or any other ASTM ~~method specification~~ to determine vapor pressure approved by the United States Environmental Protection Agency. For gasoline, the Reid vapor pressure at one hundred (100) degrees Fahrenheit may not exceed the following:

(i) Fifteen (15) pounds per square inch at the normal barometric pressure at the point of delivery during November, December, January, February, and March.

(ii) Fourteen (14) pounds per square inch during April and October.

(iii) Twelve (12) pounds per square inch during May, June, July, August, and September.

**(C) Gasoline may not contain more than one-half percent (0.5%) of MTBE by volume.**

(E) For gasohol (a blend of gasoline and alcohol permitted under federal tax requirements), the vapor pressure may not

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exceed the following:

(i) Sixteen (16) pounds per square inch during November, December, January, February, and March.

(ii) Fifteen (15) pounds per square inch during April and October.

(iii) Thirteen (13) pounds per square inch during May, June, July, August, and September.

(F) After July 23, 2004, gasoline may not contain more than one-half percent (0.5%) of MTBE by volume.

**(2) Kerosene:**

(A) Flash Test – Method ASTM D-56. Flash point may not be lower than one hundred (100) degrees Fahrenheit.

(B) For the purpose of this chapter, any petroleum product designated by name or reference as "kerosene" must meet the federal specifications for kerosene VV-K-211d in effect on March 1, 1977.

**(2) Gasoline-ethanol blends:**

**(A) One (1) of the following conditions must be met:**

(i) The gasoline that will be blended with nominally anhydrous ethyl alcohol to formulate the gasoline-ethanol blend must meet Specification ASTM D-4814.

(ii) The gasoline-ethanol blend must meet Specification ASTM D-4814.

(iii) The gasoline that will be blended with nominally anhydrous ethyl alcohol to formulate the gasoline-ethanol blend must meet Specification ASTM D-4814, except for its distillation requirements.

(iv) The gasoline-ethanol blend must meet the distillation requirements of Specification ASTM D-4814.

**(B) Gasoline that will be blended with nominally anhydrous ethyl alcohol to formulate the gasoline-ethanol blend may not contain more than one-half percent (0.5%) of MTBE by volume.**

**(C) Nominally anhydrous ethyl alcohol that will be blended with gasoline to formulate the gasoline-ethanol blend must meet Specification ASTM D-4806.**

**(D) A gasoline-ethanol blend that is seventy-five percent (75%) or more nominally anhydrous ethyl alcohol by volume, commonly known as "E85", must meet Specification ASTM D-5798.**

**(E) A gasoline-ethanol blend must meet Specification**

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ASTM D-4953, Specification ASTM D-5191, or any other ASTM specification to determine vapor pressure that is approved by the United States Environmental Protection Agency. For a gasoline-ethanol blend, the vapor pressure may not exceed the following:

(i) Sixteen (16) pounds per square inch during November, December, January, February, and March.

(ii) Fifteen (15) pounds per square inch during April and October.

(iii) Thirteen (13) pounds per square inch during May, June, July, August, and September.

**(3) Kerosene must meet Specification ASTM D-3699.**

(c) Gasoline, ~~gasohol~~, **gasoline-ethanol blends**, and kerosene products that do not comply with the minimum specifications described in subsection (b) may not be sold, offered for sale, or used in Indiana.

(d) Petroleum products other than gasoline, ~~gasohol~~, **gasoline-ethanol blends**, or kerosene shall be inspected and tested by the methods as are necessary to determine the contents and characteristics of the product.

SECTION 18. IC 16-44-2-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) A person who sells or delivers a petroleum product containing ~~ethanol (ethyl alcohol)~~ **nominally anhydrous ethyl alcohol** or methanol (methyl alcohol), or both, to a person other than a retail consumer must place on the instrument evidencing the sale or delivery of the petroleum product:

(1) the name of each alcohol; and

(2) the percentage (to the nearest whole percent), by volume, of each alcohol;

that is contained in the petroleum product sold or delivered by the person.

(b) A person who fails to comply with this section commits a Class A infraction.

SECTION 19. IC 16-44-2-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. For the purposes of this chapter, gasoline, **gasoline-ethanol blend**, or kerosene is considered to be received in Indiana as follows:

(1) If stored in tanks adjacent to a refinery or a marine or pipeline terminal in Indiana, the gasoline, **gasoline-ethanol blend**, or kerosene is considered to be received when withdrawn from storage for sale or use in Indiana or for transportation to destinations in Indiana other than for transfer to other refineries or marine or pipeline terminals in Indiana and not before. When

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1 ~~so withdrawn~~, the gasoline, **gasoline-ethanol blend**, or kerosene  
 2 **is withdrawn**, it is considered to be received by the person who  
 3 is the owner of the gasoline, **gasoline-ethanol blend**, or kerosene  
 4 at the time of withdrawal unless the gasoline, **gasoline-ethanol**  
 5 **blend**, or kerosene is withdrawn for transportation or delivery to  
 6 or for the account of a person who is bonded under the gasoline  
 7 tax law (IC 6-6-1.1), in which case the gasoline, **gasoline-ethanol**  
 8 **blend**, or kerosene is considered to be received by the person to  
 9 or for whose account the gasoline, **gasoline-ethanol blend**, or  
 10 kerosene is transported or delivered.

11 (2) If imported into Indiana (other than to a refinery or marine or  
 12 pipeline terminal in Indiana), the gasoline, **gasoline-ethanol**  
 13 **blend**, or kerosene is considered to be received at the time and by  
 14 the person who is the owner of the gasoline, **gasoline-ethanol**  
 15 **blend**, or kerosene when the gasoline, **gasoline-ethanol blend**, or  
 16 kerosene is spotted or placed for unloading in Indiana.

17 (3) If produced, blended, or compounded in Indiana other than at  
 18 a refinery or a marine or pipeline terminal, the gasoline,  
 19 **gasoline-ethanol blend**, or kerosene is considered to be received  
 20 when produced, blended, or compounded.

21 SECTION 20. IC 16-44-2-17 IS AMENDED TO READ AS  
 22 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 17. (a) The state  
 23 department shall furnish to the person for whom inspections are made  
 24 under this chapter a certificate of inspection covering each receipt by  
 25 that person of gasoline, **gasoline-ethanol blend**, or kerosene with  
 26 respect to which an inspection is made. The certificate must indicate  
 27 the following:

- 28 (1) The date of the inspection.
- 29 (2) The identity of the container from which the sample was
- 30 taken.
- 31 (3) The kind and quantity of the product received.
- 32 (4) The identity of the conveyance by which the product was
- 33 received.
- 34 (5) The result of the test and inspection.

35 (b) To enable the state department to make certificates covering  
 36 withdrawals from storage at a refinery or marine or pipeline terminal  
 37 and the receipt of gasoline, **gasoline-ethanol blend**, or kerosene at  
 38 other points in Indiana, the records of withdrawals and receipts shall be  
 39 available to the state department during all reasonable business hours.

40 SECTION 21. [EFFECTIVE JULY 1, 2007] **Not later than April**  
 41 **1, 2013, the Indiana utility regulatory commission shall submit a**  
 42 **report in an electronic format under IC 5-14-6 to the general**

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1     **assembly. A report submitted under this SECTION must include:**  
 2         **(1) an analysis of; and**  
 3         **(2) any legislative proposals the commission believes would**  
 4         **increase;**  
 5     **the effectiveness of and industry compliance with IC 8-1-35, as**  
 6     **added by this act.**  
 7         **SECTION 22. An emergency is declared for this act.**

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# COMMITTEE REPORT

Madam President: The Senate Committee on Energy and Environmental Affairs, to which was referred Senate Bill No. 467, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 467 as introduced.)

GARD, Chairperson

Committee Vote: Yeas 8, Nays 0.

## SENATE MOTION

Madam President: I move that Senate Bill 467 be amended to read as follows:

- Page 3, line 25, strike "methods" and insert "**specifications**".
- Page 3, line 31, delete "Method" and insert "**Specification**".
- Page 4, line 7, delete "(B)".
- Page 4, line 7, strike "Method" and insert "**(B) Specification**".
- Page 4, line 7, after "D-4953," insert "**Specification**".
- Page 4, line 8, strike "method" and insert "**specification**".
- Page 5, line 2, delete "Method" and insert "**Specification**".
- Page 5, line 3, delete "Method" and insert "**Specification**".
- Page 5, line 6, delete "Method" and insert "**Specification**".
- Page 5, line 9, delete "Method" and insert "**Specification**".
- Page 5, line 15, delete "Method" and insert "**Specification**".
- Page 5, line 19, delete "Method" and insert "**Specification**".
- Page 5, line 20, delete "Method" and insert "**Specification**".
- Page 5, line 20, after "D-4953," insert "**Specification**".
- Page 5, line 21, delete "method" and insert "**specification**".
- Page 5, line 31, delete "Method" and insert "**Specification**".

(Reference is to SB 467 as printed February 14, 2007.)

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture and Rural Development, to which was referred Senate Bill 467, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 8-1-2-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 23. **(a)** The commission shall keep itself informed of all new construction, extensions and additions to the property of such public utility and shall prescribe the necessary forms, regulations and instructions to the officers and employees of such public utility for the keeping of construction accounts which shall clearly distinguish all operating expenses and new construction. Unless a public utility shall obtain the approval by the commission of any expenditure exceeding ten thousand dollars (\$10,000) for an extension, construction, addition or improvement of its plant and equipment, the commission shall not, in any proceeding involving the rates of such utility, consider the property acquired by such expenditures as a part of the rate base, unless in such proceeding the **public** utility shall show that such property is in fact used and useful in the public service; provided, that the commission in its discretion may authorize the expenditure for such purpose of a less amount than shown in such estimate.

**(b) For purposes of subsection (a), the construction, addition, extension, or improvement of a public utility's plant or equipment to provide electric or gas service to a customer of the public utility that produces biodiesel, ethanol, or any other biofuel is in fact used and useful in the public service.**

**(c) This subsection applies to a public utility's general rate proceeding that immediately follows the public utility's investment in a construction, an addition, an extension, or an improvement described in subsection (b). The public utility may accrue for recovery in the rate proceeding a return on the public utility's investment, beginning on the date the public utility initially records the investment in the public utility's books or records, as determined by the commission, at the rate of return authorized by the commission in the public utility's general rate proceeding immediately preceding the investment.**

SECTION 2. IC 8-1-8.4 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

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#### **Chapter 8.4. Electric Line Facilities Projects**

**Sec. 1.** As used in this chapter, "commission" refers to the Indiana utility regulatory commission created by IC 8-1-1-2.

**Sec. 2.** As used in this chapter, "electric line facilities" means the following:

- (1) Overhead or underground electric transmission lines.
- (2) Overhead or underground electric distribution lines.
- (3) Electric substations.
- (4) Overhead or underground telecommunications line facilities associated with an item listed in subdivisions (1) through (3).

**Sec. 3.** As used in this chapter, "electric line facilities project" means the construction, operation, maintenance, reconstruction, relocation, addition to, upgrading of, or removal of electric line facilities.

**Sec. 4.** As used in this chapter, "electricity supplier" means a public utility that furnishes retail electric service to the public.

**Sec. 5.** As used in this chapter, "public utility" has the meaning set forth in IC 8-1-2-1.

**Sec. 6.** As used in this chapter, "regional transmission organization" refers to the regional transmission organization approved by the Federal Energy Regulatory Commission for the control area in which an electricity supplier operates electric line facilities.

**Sec. 7.** The commission shall encourage electric line facilities projects by creating the following financial incentives for electric line facilities that are reasonable and necessary:

- (1) The timely recovery of costs incurred by an electricity supplier in an electric line facilities project.
- (2) The timely recovery of costs, by means of a periodic rate adjustment mechanism, incurred by an electricity supplier taking service under a tariff of, or being assessed costs by, a regional transmission organization.

**Sec. 8. (a)** An electricity supplier must submit an application to the commission for approval of an electric line facilities project for which the electricity supplier seeks to receive a financial incentive created under section 7 of this chapter.

**(b)** The commission shall prescribe the form for an application submitted under this section.

**(c)** Upon receipt of an application under subsection (a), the commission shall review the application for completeness. The commission may request additional information from an applicant

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as needed.

(d) The commission shall, after notice and hearing, issue a determination of an electric line facilities project's eligibility for the financial incentives described in section 7 of this chapter not later than one hundred eighty (180) days after the date of the application.

(e) Subject to subsection (g), the commission shall approve an application by an electricity supplier for an electric line facilities project that is reasonable and necessary. An electric line facilities project is presumed to be reasonable and necessary if the electric line facilities project is consistent with, or part of, a plan developed by the regional transmission organization.

(f) This section does not relieve an electricity supplier of the duty to obtain any certificate required under IC 8-1-8.5 or IC 8-1-8.7.

(g) The commission shall not approve a financial incentive for that part of an electric line facilities project that exceeds the lesser of:

- (1) five percent (5%) of the electricity supplier's rate base approved by the commission in the electricity supplier's most recent general rate proceeding; or
- (2) one hundred million dollars (\$100,000,000).

SECTION 3. IC 8-1-31-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1.5. As used in this chapter, "distribution" means, for purposes of distributing electricity, the distribution of electric power to retail customers or end users by means of low voltage electric lines.

SECTION 4. IC 8-1-31-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. As used in this chapter, "eligible distribution system improvements" means new used and useful ~~water~~ public utility plant projects that:

- (1) do not increase revenues by connecting the distribution system to new customers;
- (2) are in service; and
- (3) were not included in the public utility's rate base in its most recent general rate case.

SECTION 5. IC 8-1-31-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. As used in this chapter, "public utility" means a:

- (1) public utility (as defined in IC 8-1-2-1(a)); or
- (2) municipally owned utility (as defined in IC 8-1-2-1(h));

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**that produces, transmits, delivers, or furnishes water, gas, electricity, or steam.**

SECTION 6. IC 8-1-31-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) Except as provided in subsection (d), a public utility ~~providing water service~~ may file with the commission rate schedules establishing a DSIC that will allow the automatic adjustment of the public utility's basic rates and charges to provide for recovery of DSIC costs.

(b) The public utility shall serve the office of the utility consumer counselor a copy of its filing at the time of its filing with the commission.

(c) Publication of notice of the filing is not required.

(d) A public utility may not file a petition under this section in the same calendar year in which the public utility has filed a request for a general increase in the basic rates and charges of the public utility.

SECTION 7. IC 8-1-31-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. The commission may not approve a DSIC:

(1) to the extent it would produce total DSIC revenues exceeding five percent (5%) of the public utility's base revenue level approved by the commission in the public utility's most recent general rate proceeding; **or**

(2) **if the cost of the associated eligible distribution system improvements exceeds fifty million dollars (\$50,000,000).**

SECTION 8. IC 8-1-35 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

**Chapter 35. Renewable Energy Development**

**Sec. 1. As used in this chapter, "electricity supplier" means a public utility (as defined in IC 8-1-2-1) that furnishes retail electric service to the public. The term does not include a public utility that is:**

- (1) a municipally owned utility (as defined in IC 8-1-2-1(h));**
- (2) a corporation organized under IC 8-1-13; or**
- (3) a corporation organized under IC 23-17-1 that is an electric cooperative and that has at least one (1) member that is a corporation organized under IC 8-1-13.**

**Sec. 2. As used in this chapter, "fund" refers to the renewable energy resources fund established by section 8 of this chapter.**

**Sec. 3. As used in this chapter, "regional transmission organization" refers to a regional transmission organization approved by the Federal Energy Regulatory Commission for the**

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geographic area in which an electricity supplier's assigned service area (as defined in IC 8-1-2.3-2) is located.

**Sec. 4.** As used in this chapter, "renewable energy credit", or "REC", means one (1) megawatt hour of electricity generated by renewable energy resources that is:

- (1) quantifiable; and
- (2) possessed by not more than one (1) entity at a time.

**Sec. 5. (a)** As used in this chapter, "renewable energy resources" includes the following sources for the production of electricity:

- (1) Dedicated crops grown for energy production.
  - (2) Methane systems that convert waste products, including animal, food, and plant waste, into electricity.
  - (3) Methane recovered from landfills.
  - (4) Wind.
  - (5) Hydropower, other than hydropower involving the construction of new dams or the expansion of existing dams.
  - (6) Solar photovoltaic cells and panels.
  - (7) Fuel cells that directly convert chemical energy in a hydrogen rich fuel into electricity.
  - (8) Sawmill waste, other than waste derived from virgin timber.
  - (9) Agricultural crop waste.
  - (10) Waste coal.
  - (11) Clean coal and energy projects (as defined in IC 8-1-8.8-2).
  - (12) Combined heat and power systems that:
    - (A) use natural gas or renewable energy resources as feedstock; and
    - (B) achieve at least seventy percent (70%) overall efficiency.
  - (13) Demand side management or efficiency programs that reduce electricity consumption or implement load management or demand response technologies that shift electric load from periods of higher demand to periods of lower demand, including the following:
    - (A) Home weatherization.
    - (B) Appliance efficiency modifications and replacements.
    - (C) Lighting efficiency modifications.
    - (D) Heating and air conditioning modifications or replacements.
- (b) The term does not include energy from the incineration, burning, or heating of the following:

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- (1) Tires.
- (2) Garbage.
- (3) General household, institutional, or commercial waste.
- (4) Industrial lunchroom or office waste.
- (5) Landscape waste.
- (6) Construction or demolition debris.
- (7) Feedstock that is municipal, food, plant, industrial, or animal waste from outside Indiana.

**Sec. 6. (a) Each electricity supplier shall supply electricity generated by renewable energy resources to Indiana customers as a percentage of the total electricity supplied by the electricity supplier to Indiana customers as follows:**

- (1) In 2009, at least one percent (1%).
- (2) In 2010, at least two percent (2%).
- (3) In 2011, at least three percent (3%).
- (4) In 2012, at least four percent (4%).
- (5) In 2013, at least five percent (5%).
- (6) In 2014, at least six percent (6%).
- (7) In 2015, at least seven percent (7%).
- (8) In 2016 and thereafter, at least eight percent (8%).

**For purposes of this subsection, electricity is measured in megawatt hours.**

**(b) An electricity supplier may use:**

- (1) a renewable energy resource described in section 5(a)(10) of this chapter;
- (2) a renewable energy resource described in section 5(a)(11) of this chapter; or
- (3) a combination of renewable energy resources described in section 5(a)(10) or 5(a)(11) of this chapter;

**to generate not more than twenty percent (20%) of the electricity that the electricity supplier is required to supply under subsection (a).**

**(c) An electricity supplier may not use a renewable energy resource described in section 5(a)(12) of this chapter to generate more than ten percent (10%) of the electricity that the electricity supplier is required to supply under subsection (a).**

**(d) An electricity supplier may use a renewable energy resource described in section 5(a)(13) of this chapter each to generate not more than ten percent (10%) of the electricity that the electricity supplier is required to supply under subsection (a).**

**(e) An electricity supplier may own or purchase RECs to comply with subsection (a).**

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(f) If an electricity supplier exceeds the applicable percentage under subsection (a) in a compliance year, the electricity supplier may carry forward the amount of electricity that:

(1) exceeds the applicable percentage under subsection (a); and

(2) is generated by renewable resources in an Indiana facility; to comply with the requirement under subsection (a) for either or both of the two (2) immediately succeeding compliance years.

(g) An electricity supplier that fails to comply with subsection (a) shall deposit in the fund established by section 8 of this chapter an amount equal to:

(1) the number of megawatt hours of electricity that the electricity supplier was required to but failed to supply under subsection (a); multiplied by

(2) fifty dollars (\$50).

(h) An electricity supplier is not required to comply with subsection (a) if the commission determines that the electricity supplier has demonstrated that:

(1) renewable energy resources or RECs are not available to the electricity supplier in sufficient quantities to allow the electricity supplier to comply with subsection (a); or

(2) the cost of renewable energy resources available to the electricity supplier would result in an unreasonable increase in the basic rates and charges for electricity supplied to customers of the electricity supplier if the electricity supplier complied with subsection (a).

The commission shall conduct a public hearing to make a determination under this subsection.

(i) If the commission determines under subsection (h) that adequate renewable energy resources are not available or that the cost of available renewable energy resources is not reasonable, the commission shall:

(1) reduce or eliminate the affected electricity supplier's obligations under subsection (a) as appropriate; and

(2) review its determination not more than twelve (12) months after the reduction or elimination under subdivision (1) takes effect.

(j) The commission shall allow an electricity supplier to recover reasonable and necessary costs incurred in:

(1) constructing, operating, or maintaining facilities to comply with this chapter; or

(2) generating electricity from, or purchasing electricity

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generated from, a renewable resource;  
by a periodic rate adjustment mechanism.

**Sec. 7. (a)** For purposes of calculating RECs to determine an electricity supplier's compliance with section 6(a) of this chapter, the following apply:

(1) One (1) megawatt hour of electricity generated by renewable energy resources in an Indiana facility equals one (1) REC.

(2) One (1) megawatt hour of electricity generated by a renewable energy resource described in section 5(a)(2), 5(a)(3), or 5(a)(4) of this chapter that originates in Indiana equals one and three-tenths (1.3) RECs.

(3) One (1) megawatt hour of electricity that is:

(A) generated by a renewable energy resource in the territory of a regional transmission organization; and

(B) imported into Indiana;

equals five-tenths (0.5) REC.

(4) One (1) megawatt hour of electricity that is generated by a renewable energy resource described in section 5(a)(12) of this chapter in Indiana equals five-tenths (0.5) REC.

(b) Electricity generated by any source outside the territory of a regional transmission organization may not be considered for purposes of calculating an REC to determine an electricity supplier's compliance with section 6(a) of this chapter.

(c) An electricity supplier may satisfy not more than ten percent (10%) of the electricity supplier's requirement under section 6(a) of this chapter by owning or purchasing RECs calculated under subsection (a)(4).

(d) An electricity supplier may calculate only one (1) REC for each megawatt hour of electricity.

**Sec. 8. (a)** The renewable energy resources fund is established to:

(1) support the development, construction, and use of renewable energy resources, including small scale renewable energy resources, in rural and urban Indiana; and

(2) reimburse the Indiana economic development corporation and the commission for expenses incurred under section 9 of this chapter.

(b) The fund consists of the following:

(1) Money deposited under section 6(g) of this chapter.

(2) Money from any other source that is deposited in the fund.

(c) The Indiana economic development corporation shall

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administer the fund.

(d) The expenses of administering the fund shall be paid from money in the fund.

(e) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 9. (a) This section applies if there is sufficient money in the fund established by section 8 of this chapter to reimburse the Indiana economic development corporation and the commission for expenses incurred under subsection (b).

(b) The Indiana economic development corporation, in consultation with the commission, shall develop a strategy to attract renewable energy manufacturing facilities, including wind turbine component manufacturers, to Indiana.

Sec. 10. Beginning in 2011, and not later than March 1 of each year, a utility shall file with the commission a report of the utility's compliance with this chapter for the preceding calendar year.

Sec. 11. The commission shall adopt rules under IC 4-22-2 to implement this chapter."

Page 1, delete lines 5 through 8, begin a new paragraph and insert:  
"SECTION 10. IC 16-44-2-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1.5. As used in this chapter, "gasoline-ethanol blend" means a fuel that is:"

Page 2, line 14, delete "Ethanol." and insert "Gasoline-ethanol blend."

Page 2, line 28, delete "ethanol," and insert "gasoline-ethanol blend,".

Page 2, line 34, after "Gasoline" insert ", gasoline-ethanol blend,".

Page 2, line 40, delete "ethanol," and insert "gasoline-ethanol blend,".

Page 3, line 1, after "Gasoline" insert ", gasoline-ethanol blend,".

Page 3, line 3, after "gasoline" insert ", gasoline-ethanol blend,".

Page 3, line 7, after "gasoline" insert ", gasoline-ethanol blend,".

Page 3, line 11, delete "ethanol," and insert "gasoline-ethanol blend,".

Page 3, line 12, delete "ethanol," and insert "gasoline-ethanol blend,".

Page 3, line 16, delete "ethanol," and insert "gasoline-ethanol

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**blend,".**

Page 3, line 17, delete "ethanol," and insert "**gasoline-ethanol blend,".**

Page 3, line 20, delete "ethanol," and insert "**gasoline-ethanol blend,".**

Page 3, line 27, delete "ethanol," and insert "**gasoline-ethanol blends,".**

Page 4, line 40, delete "Ethanol:" and insert "**Gasoline-ethanol blends:".**

Page 4, line 41, delete "All" and insert "**One (1)"**."

Page 5, line 1, delete "ethanol" and insert "**the gasoline-ethanol blend"**."

Page 5, line 3, delete "ethanol" and insert "**gasoline-ethanol blend"**."

Page 5, line 5, delete "ethanol" and insert "**the gasoline-ethanol blend"**."

Page 5, line 8, delete "ethanol" and insert "**gasoline-ethanol blend"**."

Page 5, line 11, delete "ethanol" and insert "**the gasoline-ethanol blend"**."

Page 5, line 15, delete "ethanol" and insert "**the gasoline-ethanol blend"**."

Page 5, line 17, delete "Ethanol" and insert "**A gasoline-ethanol blend"**."

Page 5, line 20, delete "Ethanol" and insert "**A gasoline-ethanol blend"**."

Page 5, line 24, delete "ethanol," and insert "**a gasoline-ethanol blend,".**

Page 5, line 33, delete "ethanol," and insert "**gasoline-ethanol blends,".**

Page 5, line 36, delete "ethanol," and insert "**gasoline-ethanol blends,".**

Page 6, line 12, delete "ethanol," and insert "**gasoline-ethanol blend,".**

Page 6, line 15, delete "ethanol," and insert "**gasoline-ethanol blend,".**

Page 6, line 20, delete "ethanol," and insert "**gasoline-ethanol blend,".**

Page 6, line 22, delete "ethanol," and insert "**gasoline-ethanol blend,".**

Page 6, line 23, delete "ethanol," and insert "**gasoline-ethanol blend,".**

Page 6, line 25, delete "ethanol," and insert "**gasoline-ethanol blend,".**

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Page 6, line 27, delete "ethanol," and insert "**gasoline-ethanol blend,**".

Page 6, line 30, delete "ethanol," and insert "**gasoline-ethanol blend,**".

Page 6, line 32, delete "ethanol," and insert "**gasoline-ethanol blend,**".

Page 6, line 33, delete "ethanol," and insert "**gasoline-ethanol blend,**".

Page 6, line 35, delete "ethanol," and insert "**gasoline-ethanol blend,**".

Page 6, line 42, delete "ethanol," and insert "**gasoline-ethanol blend,**".

Page 7, line 11, delete "ethanol," and insert "**gasoline-ethanol blend,**".

Page 7, after line 13, begin a new paragraph and insert:

**"SECTION 21. [EFFECTIVE JULY 1, 2007] Not later than April 1, 2013, the Indiana utility regulatory commission shall submit a report in an electronic format under IC 5-14-6 to the general assembly. A report submitted under this SECTION must include:**

**(1) an analysis of; and**

**(2) any legislative proposals the commission believes would increase;**

**the effectiveness of and industry compliance with IC 8-1-35, as added by this act.**

**SECTION 22. An emergency is declared for this act."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 467 as reprinted February 21, 2007.)

PFLUM, Chair

Committee Vote: yeas 11, nays 0.

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